SCURLOCK PERMIAN PIPE LINE LLC LOCAL AND JOINT TARIFF

CONTAINING
RATE, RULES AND REGULATIONS

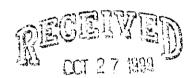
GOVERNING TRANSPORTATION

OF

CRUDE PETROLEUM BY

BY

PIPELINE



Issued pursuant to Commission Order in Docket No. 99-0376.

JUNOIS COMMENCE COMMISSION CHIEF OLERNS OFFICE

The rules and regulations published herein apply only under tariffs making specific reference by State Commission number to this tariff; such reference will include supplements hereto and successive issues hereof.

ISSUED: OCTOBER 26, 1999

EFFECTIVE: NOVEMBER I, 1999

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

ISSUED BY
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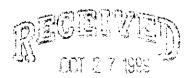
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GENERAL APPLICATION

The Rules and Regulations published herein apply only under tariffs which make specific reference by State Commission number to this tariff; such reference will include supplements hereto and successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.



FILLINGIS COMMERCE COMMISSION CHIEF CLERN'S OFFICE

RULES AND REGULATIONS

This Carrier will undertake the transportation of trude petroleum as defined herein, receiving and delivering the same through its own facilities and lines, and, where applicable, lines of connecting carriers, subject to the following rules and regulations:

| SUBJECT | RULES AND REGULATIONS |
|--|--|
| Definitions | As used in these rules and regulations, the following meanings are applicable: |
| | "Barrel" means forty-two United States gallons. |
| | "Carrier" means and refers to Sourlook Permian Pipe Line LLC and, where applicable, other carriers participating herein. |
| | "Crude Petroleum" means either the direct liquid products of oil wells, or a mixture of the direct liquid products of oil wells with the indirect liquid products of oil or gas wells including gasoline and liquifie petroleum gases, all of which are of merchantable quality. |
| | "Nomination" means a written designation by a Shipper to the Carrier of an approximate quantity of crud petroleum for transportation from a specified origin point(s) to a specified destination point(s) over a period of one operating month in accordance with these rules and regulations. |
| | "Operating Month" for a Shipper or Transferor means any calendar month in which the Carrier eithe transports crude petroleum or recognizes and records a change in ownership of crude petroleum for the account of such party. For purpose hereof the calendar month shall be deemed to begin on the first day of such month at 7:00 a.m. (Eastern Standard or Eastern Daylight Savings Time, whichever is in affect on the date specified.) |
| | "Shipper" means the party who contracts with the Carrier for the transportation of crude petroleum subject to and in accordance with these rules and regulations subject to the rate on the applicable terriff. |
| | "Tender" means an offer by a Shipper to the Carrier of an approximate quantity of crude petroleum fo transportation from a specified origin point(s) to a specified descination point(s). |
| | "Transferor" means the party who requests the Carrier to recognize and record a change in ownership of crude petroleum from its account to a designated Transferee's account. |
| | Transportation" means gathering at a specified location and/or terminaling service at a specified location and/or movement from a specified origin point(s) to a specified descination point(s). |
| Commodity | Carrier is engaged primarily in the transportation of crude petroleum and will not accept my other commodity for transportation under tariffs making reference hereto. Crude petroleum tendered for transportation which differs in quality or characteristics from that usually transported by the Carrier, will at the option of the Carrier, be transported under such terms as the Shipper and the Carrier may agree. Such shipments will only be considered when they can be transported, as time permits, with existing facilities and when they will not seriously impair the quality of other shipments. |
| Receipt and Destination Facilities | Shipper shall provide the facilities necessary to deliver crude petroleum to the Carrier's manifold at (1) a pumping rate equal to the Carrier's full line pumping rate at the point of delivery into the System, and (2) a minimum pressure to be designated by the Carrier. |
| · | Crude petroleum may be delivered into the Carrier's System at less than Carrier's full line pumping rate provided that, in Carrier's sole judgement, such crude petroleum can be received into Carrier-owned intransit tankage or can be commingled with other crude petroleum. |
| | Shipper shall provide the facilities necessary for promptly receiving the crude petroleum at the destination point as it arrives at the full line delivery rates and pressure as designated by the Carrier. |
| Quality of Crude Petroleum | Carrier will accept for transportation crude petroleum which can be commingled or intermixed with a grade of crude petroleum which Carrier regularly transports between the origin and destination points without substantially reducing the value or altering the quality of any grade of crude petroleum regularly transported over the route of shipment. |
| | Receipt and Destination Facilities Quality of Crude |

| | | RULES AND REGULATIONS - (Continued) |
|--------------|---|---|
| ITEM NO. | SUBJECT | RULES AND REGULATIONS |
| 4 (cont.) | Quality of Crude Petroleum (continued) | Carrier will accept crude petroleum for transportation only on condition that Carrier shall not be liable to Shipper for changes in gravity or quality of the Shipper's crude petroleum which may occur from commingling or intermixing such crude petroleum with other crude petroleum in transit. The Carrier is not obligated to deliver to Shipper the identical crude petroleum tendered by the Shipper. However, the Carrier will deliver a grade of crude petroleum as nearly like the grade of crude petroleum received as Carrier is regularly transporting as a common stream to the same destination point in the operating month. |
| | | Carrier will from time to time determine which grades of crude petroleum it will regularly transport as a common stream between particular receipt points and destination points on its pipeline System. Carrier will inform all interested persons of such determination upon request. Carrier may from time to time undertake to transport other or additional grades of crude petroleum and Carrier may from time to time, after giving reasonable notice to persons who may be affected, cease to transport particular grades of crude petroleum. |
| | | Carrier will also accept for transportation a grade of crude petroleum which does not meet the above conditions of this Item, provided that: |
| | | (a) Carrier has available facilities to segregate such grade of crude petroleum while it is in transit from all other grades of crude petroleum and if required. Shipper shall provide such buffers as Carrier solely deems necessary; and |
| | | (b) Carrier shall not be liable to Shipper for changes in the gravity or quality of such grade of crude petroleum while in transic and |
| | | (c) The crude petroleum tendered for transportation is made available at the receipt point in sufficient quantity as Carrier solely deems economically justifiable. |
| | | Carrier reserves the right to reject all tenders of crude petroleum when, in Carrier's sole determination: (1) the Reid vapor pressure of the crude petroleum or any mixture thereof with indirect products, exceeds twelve (12) pounds at one hundred degrees Fahrenheit (100°F); (2) the true vapor pressure of the crude petroleum or any mixture thereof with indirect products, might result in Carrier's noncompliance with Federal, State, or local requirements regarding hydrocarbon emissions; (3) the crude petroleum contains impurities exceeding five-tenths of one percent including not more that two-tenths of one percent water; (4) the crude petroleum has been partially refined; or (3) the crude petroleum has been consuminated by the presence of any chemicals including, but not limited to, chlorinated and/or oxygenated hydrocarbons and lead. Crude petroleum fellowered to Carrier's facilities which does not meet these specifications shall be |
| CT 2.7 S | 94 | considered contaminated. If upon investigation, Carrier determines that a Shipper has delivered to Carrier's facilities contaminated cride perpleum, such Shipper will be excluded from further entry into applicable segments of the System until such time as quality specifications are met. Further, Carrier reserves the right to dispose of any contaminated crude petroleum blocking its System, provided such trude petroleum is not removed by the Shipper having title thereto upon reasonable notice to it by Carrier. Disposal thereof may be made by public sale if necessary. |
| DMMERCE OF | | The Carrier shall have no responsibility relative to the revaluations or settlements among Shippers and/or Transferors due to the mixing of component parts of crude petroleum streams between the receipt point and delivery point of such streams by the Carrier. The Carrier will however furnish to Shipper or its representative, such data as Carrier and Shipper shall agree as to the properties of crude petroleum received into and delivered out of the respective common streams. |
| 5 | Additives | Carrier reserves the right to require, approve or reject the injection of corrosion inhibitors, viscosity or pour point depressants or other such additives in the crude petroleum to be transported. |
| 6 | Title | A tender of crude petroleum for transportation shall be deemed a warranty of unencumbered title and merchantability at the time of tender. The Carrier may, in the absence of adequate security, decline to receive any crude petroleum for transportation. |
| 7 | Intrasystem Change in Ownership | Notice of change in ownership of crude petroleum will be recognized and recorded only where such crude petroleum entered the Carrier's System and only on a monthly basis. Statements denoting ownership transactions will be provided to the applicable Transferons and Transferoes. The Carrier will not provide any information as to the quality of the crude petroleum subject to changes in ownership except for gravity on current receipts when requested. Each Transferor will be changed two cents (2) per barrel for recognizing and recording the change in ownership and, if required, shall pay said charge prior to the recognizing and recording of such change. The Transferor, at Carrier's option, shall provide an irrevocable letter of |

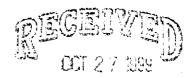
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| | RULES AND REGULATIONS - (Continued) | | |
|-------------|---|---|--|
| ITEM NO. | SUBJECT | RULES AND REGULATIONS | |
| 7 | Intrasystem negation opinership (continued) | change in ownership of crude petroleum requires the recording thereof, and Carrier is entitled to a lien for | |
| | | any operating month unless the Transferor and Transferoe requesting the Carrier to recognize and record the change in ownership shall, each, on or before the twenty-fifth (25th) day of the preceding calendar month provide written notice to the Carrier containing like data relative to the kind, quantity, source, location, Transferor and Transferoe of the crude petroleum. The Carrier shall not be obligated to accept any modification in said notice unless confirmed in writing by the Transferor and Transferoe on or before the last day of the calendar month preceding the operating month. | |
| | | When the quantity of the crude petroleum received during the operating month is not equivalent to the quantity of the crude petroleum subject to the notice of change in ownership, the Carrier will recognize and record the change in ownership only to the extent of the quantity received. | |
| - | | A notice of change in ownership of crude petroleum shall be deemed: (1) a warranty that the Transferor has unencumbered title to the crude petroleum identified in its notice at the time of change in ownership, and (2) a representation that the change in ownership is effective on the first day of the operating month as of 7:00 o'clock a.m. (Eastern Standard or Eastern Daylight Sayings Time, whichever is in effect on the date specified.) | |
| | | The Carrier may, in the absence of adequate security, decline to recognize and record any change in ownership of crude petroleum. | |
| 8 | Time for Submitting Nominations | The Carrier is under no obligation to accept a tender of crude petroleum for shipment for any operating month unless the Shipper submits its nomination to the Carrier on or before the twenty-fifth (25th) day of the preceding calendar month. | |
| 9 | Apportionmen when Nominations are in | When there shall be nominated to Carrier for transportation more crude petroleum than can be immediately transported, based on the capacity of the System or any line segment thereof, the following proration policy will apply: | |
| \ <u>\</u> | Excess of Facilities | I. Definitions | |
| | | "Proration Month" is the calendar month for which capacity is being allocated. | |
| | | "Calculation Month" is the calendar month immediately preceding the Processon Month, during which allocations for the Frontien Month will be described. | |
| · | | "Base Period" is the 24-calendar month period two months prior to the Calculation Month. Individual months within the Base Period are designated by Nos. I through 24, with "Month I" being the month two months prior to the Calculation Month and "Month 24" being the oldest Base Period month. For example, if the calculation month is June. "Month I" will be April. | |
| | Cha con- | A "Regular Shipper" is any shipper having a record of movements in the line segment being prorated during the Base Period. | |
| eceni | AED | A "New Shipper" is any shipper who is not a Regular Shipper. A New Shipper will become a Regular Shipper three months after the first month the New Shipper nominates. | |
| OT 2 | 7 1999 W | "Base Shipments" are the average monthly movements by a Regular Shipper during the Base Period. Base Shipments will be calculated by dividing the total movements by a Regular Shipper during the Base Period by the lesser of (a) 24 cr. (b) the number of the Base Period month within which the Regular Shipper first moved crude petroleum on the line segment being prorated. | |
| QHIEF CLER | CS OHMUE | II. Proration Procedure | |
| | | When nominated volumes for any month exceed the capacity in any line segment of the Carrier's systems, such capacity shall be allocated among shippers by the following procedure: | |
| | | (I) The nominated volumes for each Regular Shipper and each New Shipper shall be totaled and divided into the capacity of the line segment being prorated. The resultant fraction will be the "Proration Factor". | |

| ITEM NO. | SUBJECT | RULES AND REGULATIONS |
|----------------|--|---|
| | <u> </u> | |
| 9 | Apportionment when Nominations | (2) Each New Shipper shall be allocated capacity equal to its nominated volumes multiplied by the Proration Factor. |
| | are in Excess of Facilities | (3) The remaining capacity shall be allocated among Regular Shippers in proportion to their Base Shipments. |
| | (continued) | (4) In the event any Shipper(s) is (are) allocated more capacity than its (their) nominated volumes, the excess of its (their) allocation(s) over its (their) nominated volumes will be reallocated among all other shippers in proportion to their Base Shipments. |
| | | (5) To discourage shippers from inflating nominations, a shipper's capacity allocation will be reduced by a "penalty" in the next Prorution Month for which that shipper nominates. The "penalty" is equal to the total of all capacity allocated to the shipper and not shipped in the Base Period less the amount of any "penalty" applied in such Base Period. The allocation reduction will not exceed the shipper's capacity allocation, so any "penalty" that exceeds the Proration Month's allocation will be carried (orward to the next Proration Month for which the shipper nominates. |
| | | III. General |
| ্বাক্ <u>ন</u> | | In no event will any portion of an allocation granted to a New Shipper be used in such manner that it will increase the allocation of another shipper beyond what he is entitled to under this Proration Policy. Carrier may require written assurances from responsible officials of shippers regarding use of allocated capacity stating that this requirement has not been violated. In the event any New Shipper shall, by any device, scheme or arrangement whatsoever, make available to another shipper or in the event any shipper shall receive and use any capacity from a New Shipper through violation of this requirement, the allocated capacity for both shippers will be reduced to the extent of the excess capacity so made available or used in the shipping cycles next following discovery of the violation which are under proration. |
| OCI 2 | 2 1888 2 18 10 13 10 10 10 10 10 10 10 10 10 10 10 10 10 | When nominations submitted by Shippers to Carrier on or before the twenty-fifth (25th) of the month preceding the operating month do not exceed the capacity of the System or any line segment thereof, additional nominations may be accepted by the Carrier to fill capacity. These additional nominations will be accepted only if they do not impair the movement of crude petroleum nominated before the twenty-fifth (25th) of the preceding month. |
| IS CONTINUED | Minimum Tender- Minimum Delivery | Tenders for the transportation of crude petroleum for which the Carrier has facilities will be accepted into the System under this tariff in quantities of not less than ten thousand (10,000) barrels aggregate from one or more Shippers as operations permit and, provided such crude petroleum is of similar quality and characteristics as is being transported from receipt point to destination point. The Carrier is not obligated to transport crude petroleum until it has received for the account of one or more Shippers, for delivery to a single destination in a common batch, a quantity aggregating not less than twenty-five thousand (25,000) barrels of the same quality of crude petroleum within a two-month period or of different qualities to be commingled, provided that the Shippers and Carrier agree to said commingling. |
| 11 | Inventory Bequirements | Carrier will require each Shipper to supply a pro rate share of crude petroleum necessary for pipeline fill and efficient operation of the Carrier's pipeline System prior to delivery. Crude petroleum provided by Shipper for this purpose may be withdrawn from Carrier's System in an operating month only after shipments have ceased and if written notice to discontinue shipments in Carrier's System is received on or before the twenty-fifth (25th) day of the preceding calendar month. |
| 12 | Measuring, Testing and Deductions | All crude petroleum accepted by Carrier for transportation shall be gauged or metered and tested by a representative of the Carrier prior to its receipt and upon delivery. The Shipper shall have the privilege of being present or represented at the gauging or metering and testing. If tank tables are used, quantities will be computed from regularly compiled tank tables showing one hundred percent (100%) of the full capacity of the tanks. |
| | | Whenever there is substantial evidence of meter malfunctions in a custody transfer measurement, the parties involved in the custody transfer shall negotiate an appropriate adjustment on the basis of the most reliable and accurate information available. |
| | | Quantities for receiving, delivering, assessing charges and all other purposes will be corrected to a temperature of sixty degrees Fahrenbeit (60°F). Deductions will be made for the full percent of basic sediment, water and other impurities shown by tests made by Carrier at time of receipt and upon delivery. |

| | | RULES AND REGULATIONS - (Continued) |
|---------------------|---|---|
| ITEM NO. | SUBJECT | RULES AND REGULATIONS |
| 12 | Measuring, Testing and Deductions (continued) | When indirect liquid products are mixed with direct liquid products in pipelines or tanks of the Carrier, five percent (5%) of all indirect liquid products will be deducted and retained by Carrier to cover shankage and appearance in logical liquid products being Reid vapor pressures exceeding 40 (forty) pounds per |
| | | square inch, absolute, at one hundred degrees Fahrenheit (100°F) will not be accepted for transportation. |
| 13 | Acceptance of Delivery | On 24 hours' notice to Shipper. Carrier may begin delivery of a shipment to Shipper at its current rate of pumping. If all of such shipment cannot be received by Shipper, a demurrage charge of one cent (1,5) per barrel per 24 hours shall accrue, from the time said notice expires, on that part of such shipment which is not received by Shipper. |
| | | If a Shipper is not able to receive crude petroleum from Carrier at the time when Carrier has scheduled a delivery, and if Carrier has no means of withholding delivery of such crude petroleum, then Carrier shall have the right to clear its line and sell such crude petroleum and apply the proceeds thereof to accrued transportation charges and all other lawful charges and fees which shall be due as if delivery of such crude petroleum had been made at the rate specified in the applicable tariff; and to hold the balance of such proceeds for whomsoever may be entitled thereto. |
| 14 | Common Stream Petroleum- Connecting Carriers | When both receipts from and/or deliveries to a connecting carrier of substantially the same grade of crude petroleum are scheduled at the same interconnection. Carrier reserves the right to offset like volumes of such common stream crude petroleum in order to avoid the unnecessary use of energy which would be required by physically pumping the offsetting volumes. |
| 15 | Destination | All crude petroleum in Carrier's system shall at all times have a destination. Change in destination may be made if requested in writing by the Shipper prior to delivery at original destination point, subject to the rate and rules and regulations applicable from point of origin to point of final destination, provided that no out-of-line or backhaul movement will be made. |
| 16 | Rates Applicable | Crude petroleum transported shall be subject to the rates, and governed by the rules and regulations in effect on date such crude petroleum is received by the Carrier. |
| 17 | Applicable Rates From Intermediate Points | Crude petroleum accepted for transportation from any point on the Carrier's lines not named in the tariff, will be deemed as having been received at the next more distant point named in the tariff for purpose of determining the rate to be charged. |
| 18 | Charge for Spill Compensation | In addition to the transportation charges and all other charges accruing on crude peroleum accepted for transportation, a per barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against the Carrier in connection with such commodity, pursuant to any Federal, State or local act or regulation which levies a tax, fee, or other charge, on the receipt, delivery, transfer or transportation of such commodities within their jurisdiction for the purpose of creating a fund for the prevention, containment, clean up and/or removal of spills and/or the reimbursement of persons sustaining loss therefrom. |
| 19 | Payment of Charges | The Shipper or Transferor shall be obligated to pay Carrier all charges and fees upon Carrier's performance of the designated service(s). Payment of such charges and fees shall be made in accordance with invoice terms and these rules and regulations. The Carrier may, at its option, require the Shipper or Transferor to pay all such charges and fees in advance or to provide an irrevocable letter of credit satisfactory to the Carrier. |
| DEGIE CCI | 2 7 1989 | Carrier is entitled to a lien for all unpaid actived charges and fees. Such lien attaches to any crude petroleum retained by Carrier for the Shipper's or Transferor's account. Carrier may, at its option, refuse to: (1) deliver to the Shipper, or (2) recognize and record any change in ownership of crude petroleum for the account of a Transferor until all charges or fees owed to Carrier have been paid in full by such party. |
| MOIS COMM CHEFOL | ERKS OFFICE | Colf any charge remains unpaid after the payment due date, then such amount due shall bear interest calculated at an annual rate equivalent to 125% of the base lending rate of interest charged by the Citioank N.A. of New York. New York, for loans made to substantial and responsible commercial bottowers from the payment due date of the invoice to the date payment is received by the Carrier. |

| | RULES AND REGULATIONS - (Continued) | | |
|-------------|--|---|--|
| ITEM NO. | SUBJECT | RULES AND REGULATIONS | |
| . 19 | Payment of Charges (continued) | If any such charges or fees remain unpaid for thirty (30) catendar days after the payment due date, the Carrier shall have the right, either directly or through an agent, to sell any of the Shipper's or Transferor's crude petroleum within the custody of the Carrier. From the proceeds of this sale, Carrier will deduct all transportation charges, change in ownership charges, other lawful charges and fees and interest due to Carrier, including expenses incident to said sale, and the balance of the remaining proceeds, if any, shall be held by Carrier for whomsoever may be lawfully encided thereto. If proceeds from such sale are not sufficient, Shipper or Transferor will remain liable for any deficiency including the above interest charges. | |
| 20 | Limbility of Carrier | Carrier, while in possession of any crude petroleum will not be liable for any loss thereof or damage there- to caused by the act of God, the public enemy, quarantine, the authority of law, strikes, riots or the act or default of the Shipper, or from any other cause not due to the negligence of Carrier. In the event there is any loss of crude petroleum other than through the negligence of Carrier, the Shipper(s) whose crude petroleum has been tendered to the Carrier and scheduled for transportation over that segment of the System in which the loss occurs shall bear such loss in the same proportion that the amount of its tendered crude petroleum scheduled for transportation over such segment at the time of the loss bears to the total amount of crude petroleum then tendered and scheduled for transportation over such segment. Such Shipper(s) shall be entitled to receive only such remaining portion of its tender as is left after deducting its due portion of the loss. | |
| 21 | Claims, Suits, Time for Filing | As a condition precedent to recovery for loss or damage, claims must be filed in writing with the Carrier within nine (9) months after delivery of the property, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits must be instituted against the Carrier within two (2) years and one (1) day from the day that doctor in writing its given by the Carrier to the claimant that the Carrier has disallowed the claim or any part or parts thereof. Where claims are not filed or suits are not instituted in accordance with the foregoing provisions. Carrier is not liable and such claims will not be paid. | |
| 22 | Pipeage or Other Contracts Required | Separate pipeage and other contracts in accord with this tariff and these rules and regulations covering further details may be required by the Carrier before any duty for transportation shall arise. | |



NOIZEMMES COMMESCULLUS OFFICE

SCURLOCK PERMIAN PIPE LINE LLC LOCAL AND PROPORTIONAL TARIFF

The rate named in this tariff is for the transportation of CRUDE PETROLEUM by pipelines are governed, except as otherwise provided herein, by the Rules and Regulations published in Scurlock Permian Pipe Line LLC's ILL. C. C. No. 1, supplements thereto and successive reissues thereof.

FROM

TO

RATE

IN CENTS PER BARREL OF 42 U.S. GALLONS

ENFIELD, ILLINOIS (White County)

ENFIELD, ILLINOIS (White County)

21.28

APPLICATION OF RATE

The rate named in this tariff are applicable on shipments to the destination named herein for subsequent transportation beyond.

ISSUED: OCTOBER 26, 1999

EFFECTIVE: NOVEMBER 1, 1999

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

ISSUED BY:

Harry N. Pefanis, President

Scurlock Permian Pipe Line LLC

P. O. Box 4648

Houston, Texas 77210-4648

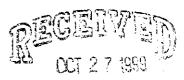
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ILUNOIS COMMERCE COMMISSION CHEF OLEPIUS OFFICE

SCURLOCK PERMIAN PIPE LINE LLC

LOCAL TARIFF

FOR THE GATHERING BY PIPELINE OF

CRUDE PETROLEUM

IN THE STATE OF ILLINOIS

Scurlock Permian Pipe Line LLC will gather CRUDE PETROLEUM from lease tanks within the territory of its gathering system in its separate districts in the State of Illinois and transport same to delivery points within its separate districts in the State of Illinois, subject to the Rules and Regulations published in Scurlock Permian Pipe Line LLC's ILL. C. C. No. 1, supplements thereto and successive reissues thereof.

| DISTRICTS | RATE | |
|---|---|--|
| | IN CENTS PER BARREL OF 42 U.S. GALLONS | |
| ALL DISTRICTS IN ILLINOIS (Except Clay City, Clay County and Enfield, White County) | 67.75 | |
| Clay City (Clay County) | 89.58 | |
| Enfield (White County) | 89.58 | |

ISSUED: OCTOBER 26, 1999

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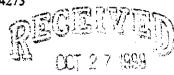
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SCURLOCK PERMIAN PIPE LINE LLC

LOCAL AND PROPORTIONAL TARIFF

The rates named in this tariff for the transportation of **CRUDE PETROLEUM** by pipelines are subject to the Rules and Regulations published herein, supplements hereto and successive reissues hereof.

| FROM | то | RATE |
|--------------------------------------|-------------------------------------|---|
| | • | IN CENTS PER BARREI OF 42 U.S. GALLONS |
| LOUDEN, ILLINOIS (Fayette County) | PATOKA, ILLINOIS (Marion County) | 11.19 |
| SANDOVAL, ILLINOIS Marion County) | PATOKA, ILLINOIS (Marion County) | 11.19 |

VISCOSITY SURCHARGE:

In addition to all other charges for transportation hereunder, all crude petroleum having a viscosity in excess of 55 Saybolt Universal Seconds (SUS) at 60 degrees Fahrenheit (60°F) shall be subject to a surcharge of .0319 cents per barrel for each unit SUS in excess of 55 SUS.

ISSUED: OCTOBER 26, 1999

EFFECTIVE: NOVEMBER 1, 1999

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ISSUED BY:

Harry N. Pefanis, President

Scurlock Permian Pipe Line LLC

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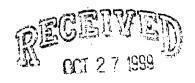
James W. Gearheart, Attorney

Scurlock Permian Pipe Line LLC

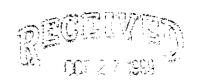
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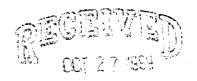


| ITEM NO. | SUBJECT | RULES AND REGULATIONS |
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| 1. | Abbreviations and Definitions | A. API means American Petroleum Institute. B. Barrel means forty-two (42) United States gallons. C. Carrier means and refers to Scurlock Permian Pipe Line LLC D. Common Stream means Crude Petroleum moved through Carrier's pipeline and pipeline facilities which is commingled or intermixed with Crude Petroleum of like quality and characteristics as may be determined by Carrier based on Crude Petroleum assays and other pertinent analytical data. E. Crude Petroleum means the direct product of oil wells, indirect petroleum products resulting either from refining crude petroleum or from the operation of gasoline recovery plants, gas recycling plants or distillate recovery equipment in gas and distillate fields, or a mixture of the direct product and indirect petroleum products, when the API gravity is 52.9° or less. F. High Gravity Petroleum means the direct product of oil wells, indirect petroleum products, or a mixture of the direct and indirect petroleum products, when the API gravity is 53.0° or above. G. FERC means Federal Energy Regulatory Commission. H. Tender means an offer by a shipper to Carrier of a stated quantity of Crude Petroleum for transportation from a specified origin or origins to a specified destination or destinations in accordance with these rules and regulations. I. Transferee - in an intrasystem Transfer, the designated party receiving title to Crude Petroleum which is transferred from a Transferor. J. Transferor - in an intrasystem Transfer, the party relinquishing title to Crude Petroleum which is transferred to a designated Transferee. |
| 2. | Shipments of High Gravity Petroleum | High gravity petroleum will be received for transportation only on condition that it shall be mixed with Crude Petroleum in Carrier's tanks or lines and provided that both the high gravity petroleum and the Crude Petroleum with which it is so mixed are owned by the same Shipper or Consignee and are consigned to the same destination. Carrier reserves the right to reject deliveries of high gravity petroleum with a vapor pressure in excess of twelve (12) pounds per square inch as outlined in item No. 9 herein. |
| 3. | Deductions and Quantities Deliverable of High Gravity Petroleum | All shipments of high gravity petroleum shall be subject to a deduction to cover the shrinkage resulting from the mixing thereof with Crude Petroleum according to the following table: API Gravity Beduction 53.0° through 78.9° The quantity deliverable by Carrier shall be the net corrected volume as outlined in Item No. 6, less the applicable deduction for shrinkage. Transportation charges will be assessed on the net balance thus reduced. After the high gravity petroleum has been so received and provisions for deductions made, any resultant mixture of "crude petroleum" and "high gravity petroleum" will be considered as Crude Petroleum for purposes of reference hereafter in this tariff. |



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| 4. | Commodity | Carrier is engaged primarily in the transportation of Crude Petroleum and will not accept any other commodity for transportation. |
| 5. | Origination and Destination Facilities | If Carrier facilities are not available, Carrier will accept Crude Petroleum for transportation only when the Shipper or Consignee has provided the necessary facilities for delivering Crude Petroleum into the system at the point of origin or for receiving the shipment as it arrives at destination. Origination and destination facilities shall be designed and sized to handle full line rate unless Carrier otherwise agrees. The design, construction and calibration of such facilities must be approved by Carrier and any appropriate regulatory agencies. |
| 6. | Quantities | Orders for the shipment of any specified kind of Crude Petroleum will be accepted for transportation in shipments of not less than ten thousand (10,000) barrels from one Shipper consigned to same destination within the month when the tender is to begin. When such shipments, together with other shipments of the same kind and quality of Crude Petroleum from the same or other Shippers, consigned to the same destination (shall) aggregate a total of at least ten thousand (10,000) barrels, then such shipments, as part of (such) total of Common Stream Crude Petroleum, will be received and forwarded to destination. Orders for shipment shall become operative in the order in which (that shall have been) received. Nominations for transportation of Crude Petroleum will be accepted in shipments of less than ten thousand (10,000) barrels from one Shipper, within the month when the tender is to begin, only if, Carrier's facilities and operating conditions permit. |
| 7. | Tenders 2.7.1980 | A. Crude Petroieum will be transported only under a tender accepted by Carrier from origins (or from facilities connected to Carrier's gathering system) to destinations when a tariff covering the movement is lawfully in effect and on file with the FERC as to interstate traffic and with the appropriate state commission covering intrastate traffic. B. Any Shipper desiring to tender Crude Petroleum for transportation shall make such tender to Carrier in writing on or before the twenty-fifth (25th) day of the month preceding the month during which the transportation under the tender is to begin, subject to Item No. 11. Unless such notification is made, Carrier will be under no obligation to accept Crude Petroleum for transportation. C. When nominations submitted by Shippers to Carrier on or before the twenty-fifth (25th) day of the month preceding the operating month do not exceed the capacity of the System or any line segment thereof, and at the sole discretion of Carrier, additional nominations may be accepted by Carrier to fill capacity, subject to Item No. 11. These additional nominations will be accepted only if they do not impair the movement of Crude Petroleum nominated before the twenty-fifth (25th) day of the preceding month. D. All nominations must contain a final destination point to be accepted. Shipper must satisfy Carrier that tenders are in good faith and that shipments can be transported in |

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| 8. | Apportionment When Nominations are in Excess of Facilities | Where there shall be nominated to Carrier for transportation more Crude Petroleum than can be immediately transported, the transportation furnished by Carrier shall be apportioned among all Shippers in proportion to the amounts nominated by each, based on the capacity of the System or any line segment thereof. If a Shipper is unable to tender crude petroleum equal to the space allocated to it, its volumes for the succeeding month may be reduced by the amount of allocated throughput not utilized during the preceding month if apportionment is necessary. |
| 9. | Specifications as to Quality and Legality of Shipment | Carrier reserves the right to reject (any and all of) the following shipments: A. Crude Petroleum having a vapor pressure in excess of twelve (12) pounds per square inch absolute at a temperature of 100° Fahrenheit and/or an API gravity in excess of 78.9°. B. Crude Petroleum containing basic sediment, water, or other impurities totalling in excess of one-half (½) of one percent (1%) as determined by the centrifugal test, or by (such) other tests (as may be) agreed upon by the Shipper and Carrier. C. Crude Petroleum where the Shipper or Consignee has failed to comply with applicable laws, rules, and regulations made by government authorities regulating shipment of Crude Petroleum. D. The presence of contaminants in Crude Petroleum, including but not limited to chemicals such as chlorinated and/or oxygenated hydrocarbons and/or lead, shall be reason for Carrier to reject any Crude Petroleum. Crude Petroleum containing such contaminants shall be deemed to be unmerchantable and a Shipper who offers contaminated Crude Petroleum shall be deemed to have breached the warranty and representation set forth in these rules and regulations. E. Crude Petroleum which has a pour point greater than 40 degrees Fahrenheit or viscosity greater than 80 Saybolt Universal Seconds at 100 degrees Fahrenheit unless under terms and conditions acceptable to Carrier. If such Crude Petroleum is accepted by Carrier, Shippers will be subject to a charge in addition to trunk line transportation rates if such a charge is provided in published tariffs on file with FERC. |
| 10. | Additives | Carrier reserves the right to require, approve or reject the injection of corrosion inhibitors, viscosity or pour point depressants or other such additives in the Crude Petroleum to be transported. |

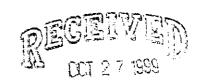


| 11. | Receipts, Delivery and Identity of Shipments | Crude Petroleum tendered for transportation will be received into the facility of Carrier only on the conditions that: |
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| | Tendered | A. A minimum aggregate quantity of 10,000 barrels, consigned to the same destination, is available from all Shippers at the point of reception, either immediately on the date of tender or within a subsequent period of time which Carrier considers necessary in view of pipeline facilities available for handling the Crude Petroleum as it is received. B. It shall be subject to such changes in gravity or quality as may result from the mixture of said Crude Petroleum with Crude Petroleum in the tanks or lines of Carrier. C. If the Crude Petroleum tendered for shipment is of such kind or quality as would damage the quality of other shipments being transported to the same or different destinations through the same lines through which the Crude Petroleum would move, it will be received only if Carrier has facilities for transporting it without damaging the quality of other shipments. D. Carrier is not liable for variations, except due to Carrier's negligence, in gravity or quality of Crude Petroleum while in its custody and shall be under no obligation to deliver the identical Crude Petroleum received and reserves the right to make delivery out of a common stream. E. Carrier may, at its option, require Shipper to provide an irrevocable letter of credit, or other form of security, satisfactory to Carrier to secure the value of the Crude Petroleum nominated pursuant to Item No. 7. |
| 12. | Liability of Carrier | A. Carrier in possession of Crude Petroleum herein described, shall not be liable for any loss thereof; damage thereto; or delay caused by: fire, storm, flood, epidemics, Act of God, riots, strikes, insurrection, rebellion, war, act of the public army, quarantine, the authority of law, requisition or necessity of the Government of the United States in time of war, default of Shipper or Owner, or from any other cause not due to the negligence of Carrier. In case of loss of Crude Petroleum in a segregated shipment, then the Shipper and Consignee thereof shall bear the entire loss, damage, or delay which occurs. In case of loss of Crude Petroleum which is not in a segregated shipment, then each Shipper of the grade of Crude Petroleum so lost via the System in which the loss occurs shall share such loss in the proportion that the amount of such grade of Crude Petroleum then in the custody of Carrier for the account of such Shipper in such system bears to the total amount of such grade of Crude Petroleum then in the custody of Carrier in such system. B. Carrier will be obligated to deliver only that portion of a Crude Petroleum shipment remaining after deducting such loss. Transportation charges will be made only on quantities of Crude Petroleum delivered. C. If Crude Petroleum is lost in transit, while in the custody of Carrier, due to causes other than those described in the first paragraph of this item, Carrier may obtain and deliver to Shipper other Crude Petroleum of the same quantity and grade as that which was lost, but Carrier shall not be obligated to do so; in the alternative, Carrier may compensate Shipper for such loss in money. If Carrier compensates Shipper for such loss in money. If Carrier compensates Shipper for such loss in money of the lost Crude Petroleum. |

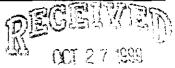
| ITEM NO. | SUBJECT | RULES AND REGULATIONS |
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| 13. | Gauging and Testing | Crude Petroleum tendered to Carrier for transportation shall be gauged and tested by a representative of Carrier prior to its receipt from the Shipper, but the Shipper shall have the privilege of being present or represented at the gauging and testing. If such witnessing privilege is waived by the Shipper, then Carrier's measurements shall be binding. Quantities shall be measured through meters or, when agreed upon, quantities may be computed from tank tables on a 100% volume basis. All shipments of required specifications will be received and delivered with volume corrected as to temperature from observed degrees Fahrenheit to 60° Fahrenheit. A centrifuge machine, or other methods agreed upon , shall be used for ascertaining the percentage of basic sediment, water , or other impurities. The percentage thus determined shall be deducted from the corrected volume. When gathering is performed by Carrier, gathering charges will be assessed on the net corrected volume thus computed. |
| 14. | Title | Crude Petroleum which is in any way involved in litigation, or which is encumbered by a lien or charge of any kind, will not be accepted for shipment unless (and until) the Shipper or Consignee (shall) furnish a bond or other form of indemnity satisfactory to Carrier (protecting it against any liability or loss arising as a result of such litigation, lien or charge). |
| 15. | Application of Rates from Intermediate Points | On Crude Petroleum accepted for transportation from or to any point on Carrier's lines not named in tariffs making reference to this tariff, but which is intermediate to a point from which rates are published in tariffs making reference to this tariff, Carrier will apply from or to such unnamed point the rate published from the next more distant point specified in the tariff. If an intermediate point is to be used on a continuous basis for more than 30 days, Carrier shall file a tariff applicable to that specific intermediate point. |
| 16. | Rates Applicable | Rates named in this tariff are applicable only on shipments of Crude Petroleum to destination named herein for subsequent transportation beyond by pipeline. Crude Petroleum accepted for transportation shall be subject to the rates on the date of receipt by Carrier, irrespective of the date of the tender. |



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| 17. | Payment of Charges | Shipper or Consignee shall be obligated to pay Carrier all charges and fees upon Carrier's performance of the designated service(s). Payment of such charges and fees shall be made in accordance with invoice terms and these rules and regulations. Carrier may, at its option, require Shipper or Consignee to pay all such charges and fees in advance or to provide an irrevocable letter of credit satisfactory to Carrier. Carrier is entitled to a lien for all unpaid accrued charges and fees. Such lien attaches to any Crude Petroleum retained by Carrier for Shipper's or Consignee's account. Carrier may, at its option, refuse to: (1) deliver to Shipper, or (2) recognize and record any change in ownership of Crude Petroleum for the account of Shipper until all charges or |
| | | fees owed to Carrier have been paid in full by such party. |
| | | If any charge remains unpaid after the payment due date, then such amount due shall bear interest calculated at an annual rate equivalent to 125% of the base lending rate of interest charged by the Citibank N.A. of New York, New York, for loans made to substantial and responsible commercial borrowers from the payment due date of the invoice to the date payment is received by Carrier. |
| | | If any such charges or fees remain unpaid for thirty (30) calendar days after the payment due date, Carrier shall have the right either directly or through an agent, to sell any of Shipper's or Consignee's Crude Petroleum within the custody of Carrier. From the proceeds of this sale, Carrier will deduct all transportation charges, change in ownership charges, other lawful charges and fees and interest due to Carrier, including expenses incident to said sale, and the balance of the remaining proceeds, if any, shall be held by Carrier for whomsoever may be lawfully entitled thereto. If proceeds from such sales are not sufficient, Shipper or Consignee will remain liable for any deficiency including the above interest charges. |
| 18. | Claims, Suits, Time for Filing | As a condition precedent to recovery, claims must be filed in writing with the initial or delivering carrier within nine (9) months after delivery of the Crude Petroleum. In case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed. Suits shall be instituted against any carrier only within two (2) years and one (1) day from the day when notice in writing is given by the carrier to the claimant that the carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted (thereon) in accordance with the foregoing provisions, no carrier hereunder shall be liable and such claims will not be paid. |
| 19. | Storage in Transit | Carrier has working tanks required in the process of transporting Crude Petroleum, but has no other tankage and therefore does not have facilities for rendering, nor does it offer a storage service. |

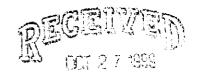


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| 20. | Delivery and Demurrage | A. Carrier will transport and deliver Crude Petroleum with reasonable diligence and dispatch, but will accept no Crude Petroleum to be transported in time for any particular market. B. After any shipment has had time to arrive at destination, and on twenty-four hours notice to Shipper or Consignee, Carrier may begin delivery at its current rate of pumping. C. Commencing after the first seven o'clock a.m. after expiration of said notice, Carrier may assess a demurrage charge of one cent (1¢) per barrel per day of twentyfour hours on any part of said shipment offered for delivery and not taken as prescribed in paragraph (E) of Item No. 7. After expiration of said notice, Carrier's liability for loss, damage, or delay shall be that of warehouseman only. D. If a Shipper is not able to receive Crude Petroleum from Carrier at the time when Carrier has scheduled a delivery, and if Carrier has no means of withholding delivery of such Crude Petroleum, then Carrier shall have the right to clear its line and sell such Crude Petroleum and apply the proceeds thereof to accrued transportation charges and all other lawful charges and fees which shall be due as if delivery of such Crude Petroleum had been made at the rate specified in the applicable tariff, and to hold the balance of such proceeds for whomsoever may be entitled thereto. |
| 21. | Intrasystem Transfers | An intrasystem transfer of title to Crude Petroleum will be allowed on Carrier's system for a fee of \$200.00 charged to the Transferor; provided, however, that no transfer fee shall be assessed to the Transferor if the Transferor pays the mainline transportation charges to the specified transport point. The Transferee accepting volumes on an intrasystem transfer shall be responsible for payment of transportation charges from the transfer point to destination. Carrier shall not be obligated to recognize any intrasystem transfer and shall incur no liability with respect thereto or for any losses or damages accruing to any party involved in an intrasystem transfer. An intrasystem transfer request, if recognized, shall be confirmed in writing by both the Transferor and the Transferee within seventy-two (72) hours after the request. Such request shall indicate the party to which the transfer is to be made, the amount of Crude Petroleum to be transferred, its location and grade, and a warranty statement of unencumbered title. In addition, the Transferor and Transferee, upon the request of Carrier and at Carrier's option, shall provide an irrevocable letter of credit in terms satisfactory to Carrier and in an amount necessary to cover all charges and fees. |
| 22. | Pipeage or Other Contracts Required | Connections to Carrier's pipeline and tankage will only be considered if made by formal written notification to Carrier and all connections will be subject to design specifications necessary to protect the safety, security, integrity and efficient operation of Carrier's pipeline and tankage in accordance with generally accepted industry standards. Acceptance of any request for connection will be subject to compliance with governmental regulations. Separate pipeage and other contracts in accord with this tariff and these rules and regulations covering further details may be required by the Carrier before any duty for transportation shall arise. |



| Item No. | SUBJECT | RULES AND REGULATIONS |
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| 23. | Line Fill and Tank Bottom Inventory Requirements | Carrier will require each Shipper to supply a pro rata share of Crude Petroleum necessary for pipeline and tankage fill to ensure efficient operation of Carrier's pipeline system prior to delivery. Crude Petroleum provided by Shippers for this purpose may be withdrawn only after: (1) shipments have ceased and Shipper has notified Carrier in writing to discontinue shipments in Carrier's system and (2) Shipper balances have been reconciled between Shipper and Carrier. Carrier, at its discretion, may require advance payment of transportation charges on the volumes to be cleared from Carrier's system, and any unpaid accounts receivable, before final delivery will be made. Carrier shall have a reasonable period of time from the receipt of said notice to complete administrative and operational requirements incidental to Shipper withdrawal. |
| 24. | Access and Use of Shipper's and Producer's Facilities | A. Carrier shall have the right to install, in suitable locations, and to operate and maintain pipelines, pumping equipment, other auxiliary pipeline equipment, and power service facilities upon and across surface lands held by Shipper (or producer) in connection with the production of Crude Petroleum tendered to Carrier for transportation. B. Carrier, by its representative, shall have the right to go upon the premises where Crude Petroleum tendered for shipment is produced or stored, and shall have access to any metering installations or storage facilities for the purpose of making examinations, inspections, measurements or tests authorized by these rules and regulations. C. Carrier shall be allowed full and free use of roads, helicopter pads and airstrips built or owned by Shipper (or producer) when in Carrier's opinion such use is required for access to, and the operation and maintenance of, Carrier's pumping equipment and pipeline system. Shipper (or producer) shall maintain such roads in a reasonable condition. |
| 25. | Receipts from Tank Trucks | In connection with trunk line movement of Crude Petroleum, Carrier will undertake to receive same from tank trucks, subject to Item No. 22, and provided all required racks and other special facilities are furnished by Shipper or Consignee. An additional charge of eight cents (\$0.08) per barrel will be made for such service. |

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SCURLOCK PERMIAN PIPE LINE LLC RESPONSE TO STAFF DATA REQUESTS ENG 1.1 – ENG 1.15

DOCKET NO. 00-0304

ENG 1.14 In Docket 99-0376, Scurlock claimed that it had the resources and financial strength to operate the facilities in question. Can All American make that same claim in this proceeding? If so, provide an explanation, including any relevant workpapers or financial statements, that supports All American's claim.

Response:

In Docket 99-0376, Scurlock demonstrated that it is an affiliate of Plains Resources, Inc., which is engaged <u>inter alia</u> in the marketing, transportation, storage and terminalling of crude oil, and provided financial data about the Plains group, including All American, that demonstrated the resources and financial strength for certification. The Commission found Scurlock to have the requisite resources and financial strength in its Order in Docket 99-0376. All American has the same resources and financial strength as Scurlock due to All American's place in the Plains group. Attached is a copy of Plains All American's 1999 Annual Report, including its 1999 Form 10-K with financial statements. The resources of the Plains group are available to All American.

SCURLOCK PERMIAN PIPE LINE LLC RESPONSE TO STAFF DATA REQUESTS ENG 1.1 – ENG 1.15

DOCKET NO. 00-0304

ENG 1.15 In the event of some type of significant rupture or release of product, will All American be financially capable of effecting the necessary environmental cleanup and restoration? If All American has insurance coverage for this type of situation, provide the value of the coverage and explain why it is sufficient. If the Company is not insured for this situation, explain why it is not necessary.

Response:

All American is financially capable of effecting necessary environmental cleanup and restoration in the event of a significant rupture or release. In addition to the financial resources referenced in the response to ENG 1.14, it has in excess of \$200 million of insurance coverage for such situations. Attached are memoranda of insurance reflecting such coverage. In Docket 99-0376, the Commission found the approximately \$160 million of insurance coverage of Scurlock adequate; All American has more coverage, which it believes sufficient.